

DYNAMIC DELIVERY

**America's Evolving Oil and Natural Gas
Transportation Infrastructure**

APPENDIX A – REQUEST LETTER AND DESCRIPTION OF THE NPC



**A Report of the National Petroleum Council
December 2019**

**This appendix was last updated on
January 5, 2021**



The Secretary of Energy
Washington, DC 20585

September 21, 2017

Mr. Greg L. Armstrong
Chair
National Petroleum Council
1625 K Street, NW
Washington, DC 20006

Dear Mr. Armstrong:

Recent hurricanes in the Gulf Coast and Southeastern United States have highlighted the importance of oil and natural gas infrastructure. When operating effectively, it is easy for the Nation to take for granted the critical assets that move energy to support our daily lives. Hurricanes Harvey and Irma reminded us of the importance of the pipelines, barges, railroads, and other components of the energy delivery system, as well as system vulnerabilities.

The U.S. energy landscape has undergone significant changes in the past decade, with dramatic expansion of oil and natural gas supply and the development of resources in areas beyond traditional oil and natural gas producing regions. In recent years, objections to and restrictions on the construction of needed transportation infrastructure have increased, slowing the development of new infrastructure and hindering economic growth. The U.S. energy transportation infrastructure is the envy of the world, but requires continuing upgrades and renewal to ensure an efficient and resilient system.

Abundant oil and natural gas resources, technology innovation, and business ingenuity have positioned the United States to embark on a new era of American leadership and energy dominance that can boost the economy and enhance energy security, all while protecting and likely improving the environment. In order for the Nation to fully capitalize on its abundant oil and natural gas resources, transportation infrastructure (e.g., pipeline, waterway, truck, rail, storage, and related system components) must be expanded, upgraded, and maintained.

I request that the National Petroleum Council undertake a study to analyze the changing dynamics of U.S. oil and natural gas transportation infrastructure. This study should explain the extent of the transportation infrastructure today and the United States' infrastructure needs under varying demand assumptions. The study should include a review of any constraints to growing domestic oil and gas production caused by infrastructure limitations that reduce domestic demand or energy exports. The Council should evaluate technology and policy options for improving infrastructure siting and related permitting processes, which in turn could improve safety, environmental performance, and resilience of the system.



Key questions to be addressed include:

- What are the important changes in future supply and demand patterns, and what transportation infrastructure improvements are required to leverage the regional and national opportunities offered by these changes?
- What advances in technology could improve the U.S. oil and natural gas transportation system, in terms of safety, reliability, efficiency, and environmental performance? In what new technology areas should research be progressed?
- How can State and Federal governments leverage efforts to support U.S. petroleum and natural gas supply and transportation infrastructure capacity improvements?
- Are there regulatory requirements or policies that may be causing unintended consequences on energy system resilience? If so, what solutions can accomplish the regulatory objective more effectively?
- What emerging issues should policy makers be aware of and what actions should be considered to address these issues?

For the purposes of the study, I am designating Deputy Secretary Dan Brouillette to represent me. He will provide the necessary coordination between the Department and the Council, and other government agencies as required. Mark Maddox, Acting Assistant Secretary for the Office of Fossil Energy, will work with the Deputy Secretary to identify government co-chairs for study subcommittees, as required.

Sincerely,

A handwritten signature in black ink that reads "Rick Perry". The signature is written in a cursive, slightly slanted style.

Rick Perry

DESCRIPTION OF THE NATIONAL PETROLEUM COUNCIL

In May 1946, the President stated in a letter to the Secretary of the Interior that he had been impressed by the contribution made through government/industry cooperation to the success of the World War II petroleum program. He felt that it would be beneficial if this close relationship were to be continued and suggested that the Secretary of the Interior establish an industry organization to advise the Secretary and the Executive Branch on oil and natural gas matters. Pursuant to this request, Interior Secretary J. A. Krug established the National Petroleum Council (NPC) on June 18, 1946. In October 1977, the Department of Energy was established and the Council was transferred to the new department.

The purpose of the NPC is solely to advise, inform, and make recommendations to the Secretary of Energy on any matter requested by the Secretary, relating to oil and natural gas or the oil and gas industries. Matters that the Secretary would like to have considered by the Council are submitted in the form of a letter outlining the nature and scope of the study. The Council reserves the right to decide whether it will consider any matter referred to it.

Studies undertaken by the NPC at the request of the Secretary include:

- *Meeting the Dual Challenge: A Roadmap to At-Scale Deployment of Carbon Capture, Use, and Storage* (2019)
- *Supplemental Assessment to the 2015 Report – Arctic Potential: Realizing the Promise of U.S. Arctic Oil and Gas Resources* (2019)
- *Emergency Preparedness Implementation Addendum* (2016)
- *Arctic Potential: Realizing the Promise of U.S. Arctic Oil and Gas Resources* (2015)
- *Enhancing Emergency Preparedness for Natural Disasters* (2014)
- *Advancing Technology for America’s Transportation Future* (2012)
- *Prudent Development: Realizing the Potential of North America’s Abundant Natural Gas and Oil Resources* (2011)
- *One Year Later: An Update On Facing the Hard Truths About Energy* (2008)
- *Facing the Hard Truths about Energy: A Comprehensive View to 2030 of Global Oil and Natural Gas* (2007)
- *Observations on Petroleum Product Supply* (2004)
- *Balancing Natural Gas Policy – Fueling the Demands of a Growing Economy* (2003)
- *Securing Oil and Natural Gas Infrastructures in the New Economy* (2001)
- *U.S. Petroleum Refining – Assuring the Adequacy and Affordability of Cleaner Fuels* (2000)
- *Meeting the Challenges of the Nation’s Growing Natural Gas Demand* (1999)
- *U.S. Petroleum Product Supply – Inventory Dynamics* (1998)
- *Future Issues – A View of U.S. Oil & Natural Gas to 2020* (1995)
- *Research, Development, and Demonstration Needs of the Oil and Gas Industry* (1995)
- *Marginal Wells* (1994).

The NPC does not concern itself with trade practices, nor does it engage in any of the usual trade association activities. The Council is subject to the provisions of the Federal Advisory Committee Act of 1972.

Members of the National Petroleum Council are appointed by the Secretary of Energy and represent all segments of the oil and natural gas industries and related interests. The NPC is headed by a Chair and a Vice Chair, who are elected by the Council. The Council is supported entirely by voluntary contributions from its members.

Additional information on the Council’s origins, operations, and reports can be found at www.npc.org.

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